

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 SSM-03 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 IO-13 HA-05
/147 W

-----090165 202014Z /70

R 191523Z APR 78
FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC 2694
INFO AMEMBASSY CAIRO

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E. O. 11652: GDS
TAGS: ENRG PBOR IS EG
SUBJ: ISRAELI OIL AND GAS EXPLORATION IN NORTHERN SINAI

REFS: (A) STATE 93822, (B) TEL AVIV 1763, (C) TEL AVIV 4662

1. DIRGEN MINENERGY VARDI TOLD EMBOFF APRIL 18 THAT GOI HAS NO CONFIRMED OIL FINDS IN NORTHERN SINAI AND ONLY ONE GAS FIND AT SADOT FIELD. BASED ON SADOT 1 ALONE (REF B), RESERVES WERE ESTIMATED AT 10 TO 20 BILLION CUBIC FEET (BCF). CURRENT TESTING OF SADOT 2 HAS INCREASED THIS ESTIMATE TO A MINIMUM OF 30 BCF. PRODUCTION WILL BEGIN AS SOON AS PIPELINES ARE LAID, WHICH VARDI SAYS WILL TAKE MANY MONTHS.

2. VARDI SAID THAT NO SIGNIFICANT AMOUNTS OF GAS OR OIL HAVE BEEN FOUND AT PELUSION, GOFER, SLAV OR DIKLA (REF B). HOWEVER, DRILLERS FOUND SIGNS OF SULFUR AT DIKLA IN SEMAS RANGING FROM TWO TO POSSIBLY FIFTEEN METERS THICK AT A DEPTH OF 400 METERS. MANY MONTHS WILL BE NEEDED TO ASSESS THE QUALITY AND QUANTITY OF THIS SULFUR INDICATION.

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3. IN GULF OF SUEZ, VARDI SAID THAT THE NEXT AREA FOR EXPLORATION WILL BE NORTH OF ALMA FIELD AT A LOCATION NOT YET DETERMINED. HE SAID THAT PRODUCTION FROM ALMA FIELD CONTINUES AT ABOUT 12,000 BBL PER DAY. HE NOTED THAT NEPTUNE OIL CO., IN ITS MARCH 31 ANNUAL REPORT, HAD IDENTIFIED ITSELF (OR ITS MAJORITY OWNER) AS

SUPERIOR OIL CO. OF HOUSTON.

4. COMMENT: DUE TO MODEST LEVEL OF GAS FOUND IN THE SADOT FIELD, WE DOUBT THAT IT WILL LEAVE A MAJOR IMPACT ON ISRAEL'S NEGOTIATING POSTURE. HOWEVER, IT SHOULD BE NOTED THAT THE SADOT FIELD IS SITUATED AMONG THE ISRAELI SETTLEMENTS IN THE RAFAH APPROACHES. SHOULD THERE BE A MAJOR GAS STRIKE IN THIS AREA, WE WOULD EXPECT IT TO STRENGTHEN ISRAELI RESOLVE TO RETAIN SOVEREIGNTY OVER THE AREA. ANY MAJOR GAS OR OIL FIND FARTHER WEST (PELUSION, GOFER, SLAV) WOULD PROBABLY BE TREATED BY GOI IN THE SAME WAY AS GULF OF SUEZ OIL, I.E., ISRAEL MIGHT CLAIM A RIGHT TO SHARE THE RESOURCES BECAUSE OF ISRAELI DISCOVERY AND EXPLOITATION EFFORTS, EVEN THOUGH NOT CLAIMING SOVEREIGNTY (SEE PARA 2, REF C). LEWIS

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Message Attributes

Automatic Decaptoning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, NATURAL GAS, EXPLORATORY DRILLING, MILITARY OCCUPIED AREAS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 apr 1978
Decapton Date: 20 Mar 2014
Decapton Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TELAV05237
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780169-0870
Format: TEL
From: TEL AVIV
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780438/aaaabfut.tel
Line Count: 77
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0e3e01ab-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY
Reference: 78 STATE 93822, 78 TEL AVIV 1763, 78 TEL AVIV 4662
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2910473
Secure: OPEN
Status: NATIVE
Subject: ISRAELI OIL AND GAS EXPLORATION IN NORTHERN SINAI
TAGS: ENRG, PBOR, IS, EG
To: STATE
Type: TE
vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/0e3e01ab-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014